



BILLING CODE: 3510-DS-P

DEPARTMENT OF COMMERCE

International Trade Administration

[C-201-846]

Agreement Suspending the Countervailing Duty Investigation on Sugar from Mexico (as amended); Preliminary Results of 2017 Administrative Review

AGENCY: Enforcement & Compliance, International Trade Administration, Department of Commerce.

DATES: Applicable **[INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]**.

SUMMARY: The Department of Commerce (Commerce) preliminarily determines that the Government of Mexico (GOM) and selected respondents Ingenio El Higo S.A. de C.V., Central El Potrero S.A. de C.V., Ingenio Melchor Ocampo S.A. de C.V., and Zucarmex S.A. de C.V. (and their affiliates) are in compliance with the Agreement Suspending the Countervailing Duty Investigation of Sugar from Mexico (CVD Agreement), as amended on June 30, 2017 (collectively, amended CVD Agreement), for the period October 1, 2017, through December 31, 2017. Commerce also preliminarily determines that the amended CVD Agreement is meeting the statutory requirements under sections 704(c) and (d) of the Tariff Act of 1930, as amended.

Interested parties are invited to comment on these preliminary results.

FOR FURTHER INFORMATION CONTACT: Sally C. Gannon or David Cordell, Enforcement & Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230, telephone: (202) 482-0162 or (202) 482-0408, respectively.

SUPPLEMENTARY INFORMATION:

Background

On December 19, 2014, Commerce signed an agreement under section 704(c) of the Tariff Act of 1930, as amended (the Act), with the GOM, suspending the CVD investigation on sugar from Mexico.¹ On June 30, 2017, Commerce and the GOM signed an amendment to the CVD Agreement.²

On December 29, 2017, the American Sugar Coalition and its Members³ (petitioners) filed a request for an administrative review of the amended CVD Agreement.⁴ The review was initiated on February 13, 2018, covering the January 1, 2017 through December 31, 2017,⁵ period of review (POR). Commerce amended the POR on April 19, 2018, to reflect the period from October 1, 2017 to December 31, 2017 (including sales prior to October 1, 2017 that resulted in entries during the fourth quarter of 2017).⁶ On May 23, 2018, Commerce selected the four largest producers/exporters by volume as mandatory respondents,⁷ and issued its questionnaire to the GOM, the signatory to the CVD Agreement, and asked the GOM to send full questionnaires at attachment 1 to the four selected companies (and their affiliates). These were: Central El Potrero S.A. de C.V., Ingenio El Higo S.A. de C.V., Ingenio Melchor Ocampo S.A.

¹ See *Agreement Suspending the Countervailing Duty Investigation of Sugar from Mexico*, 79 FR 78044 (December 29, 2014) (CVD Agreement).

² See *Sugar from Mexico: Amendment to the Agreement Suspending the Countervailing Duty Investigation*, 82 FR 31942 (July 11, 2017) (CVD Amendment).

³ The members of the American Sugar Coalition are as follows: American Sugar Cane League, American Sugarbeet Growers Association, American Sugar Refining, Inc., Florida Sugar Cane League, Rio Grande Valley Sugar Growers, Inc., Sugar Cane Growers Cooperative of Florida, and the United States Beet Sugar Association.

⁴ See Letter from petitioners, entitled “Sugar from Mexico: Request for Administrative Review” (December 29, 2017).

⁵ The original initiation notice had incorrectly stated that the POR ended on December 30, 2017, and this was corrected in the initiation notice published on March 16, 2018.

⁶ See Memorandum to P. Lee Smith, entitled “Administrative Review of the Agreement Suspending the Countervailing Duty Investigation on Sugar from Mexico, as Amended: Period of Review” (April 19, 2018).

⁷ See Memorandum to P. Lee Smith, entitled “2017 Administrative Review of the Agreement Suspending the Countervailing Duty Investigation on Sugar from Mexico As Amended: Respondent Selection” and “Questionnaire Regarding the Agreement Suspending the Countervailing Duty Investigation on Sugar from Mexico for the October 1, 2017 through December 31, 2017 Period of Review”, both dated May 23, 2018.

de C.V, and Zucarmex S.A. de C.V. Commerce also asked that the GOM respond to its own questionnaire.

Scope of Review

Merchandise covered by this amended CVD Agreement is typically imported under the following headings of the HTSUS: 1701.12.1000, 1701.12.5000, 1701.13.1000, 1701.13.5000, 1701.14.1000, 1701.14.5000, 1701.91.1000, 1701.91.3000, 1701.99.1010, 1701.99.1025, 1701.99.1050, 1701.99.5010, 1701.99.5025, 1701.99.5050, and 1702.90.4000. The tariff classification is provided for convenience and customs purposes; however, the written description of the scope of this amended CVD Agreement is dispositive.⁸

Methodology and Preliminary Results

Commerce is conducting this review in accordance with section 751(a)(1)(C) of the Act. After reviewing the information received to date from the respondent companies and the GOM in their questionnaire and supplemental questionnaire responses, we preliminarily find that the information indicates that the GOM has adhered to the terms of the amended CVD Agreement and that the amended CVD Agreement is functioning as intended. Further, we preliminarily determine that the amended CVD Agreement is meeting the statutory requirements under sections 704(c) and (d) of the Act. For a full description of the methodology underlying our conclusions, see the Preliminary Decision Memorandum.

Public Comment

⁸ For a complete description of the Scope of the Order, *see* Memorandum to Gary Taverman, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations, performing the non-exclusive functions and duties of the Assistant Secretary for Enforcement and Compliance, from P. Lee Smith, Deputy Assistant Secretary for Policy and Negotiations, "Decision Memorandum for Preliminary Results of Administrative Review of the Agreement Suspending the Antidumping Duty Investigation on Sugar from Mexico," dated concurrently with this notice (Preliminary Decision Memorandum).

Pursuant to 19 CFR 351.309(c)(1)(ii), interested parties may submit case briefs not later than 30 days after the date of publication of this notice. Rebuttal briefs, limited to issues raised in the case briefs, may be filed not later than five days after the date for filing case briefs in accordance with 19 CFR 351.309(d)(1). Parties who submit case briefs or rebuttal briefs in this proceeding are encouraged to provide: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities. *See* 19 CFR 351.309(c)(2) and (d)(2).

Pursuant to 19 CFR 351.310(c), interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Enforcement and Compliance filed electronically via ACCESS. An electronically filed document must be received successfully in its entirety by Commerce's electronic records system, ACCESS, by 5:00 p.m. Eastern Standard Time within 30 days after the date of publication of this notice. Requests should contain: (1) the party's name, address and telephone number; (2) the number of participants; and (3) a list of issues to be discussed. Issues raised in the hearing will be limited to those raised in the respective case briefs. Commerce intends to issue the final results of this administrative review, including the results of its analysis of the issues raised in any written briefs, not later than 120 days after the date of publication of this notice, pursuant to section 751(a)(3)(A) of the Act.

We are issuing and publishing these results in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Dated: December 14, 2018.

Gary Taverman,

Deputy Assistant Secretary

*for Antidumping and Countervailing Duty Operations,
performing the non-exclusive functions and duties of the
Assistant Secretary for Enforcement and Compliance.*

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